

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3776-01
BILL NO.: HB-1766
SUBJECT: Fire Protection Districts: Sales Tax
TYPE: Original
DATE: February 11, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	unknown to (\$38,829)	unknown	unknown
Total Estimated Net Effect on <u>All</u> State Funds	\$38,829	unknown	unknown

*This proposal is permissive.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government*	\$0	\$0	\$0

*This proposal is permissive

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Department of Revenue officials stated that the proposed legislation does not require the fire protection to be in a present system defined boundary (city or county) so new systems development will be necessary.

DOR officials assume that a new system to collect a sales tax in a fire protection district would be necessary should this legislation be enacted. The legislation does not require the district to be in a presently defined boundary (city or county) so a new coding system would need to be established and applied to all businesses collecting this new sales tax. It is forecast to require 1038 programming hours to create this system @ \$30.00 per hour, totaling \$32,074, and the State Data Center will charge \$6,755 to test and implement this system.

DOR officials stated that a 1% collection fee would be retained by their department and deposited in the States General Revenue Fund. Officials stated that without knowing how many Fire Protection District would receive voter approval to impose a sales tax, and at what rate, they cannot estimate the amount of revenue that would be generated by the 1% collection fee.

The **Carroll County Commission** assume that there would be election costs if a Fire Protection District would seek voter approval to impose a sales tax.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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GENERAL REVENUE FUND

<u>Income to General Revenue Fund</u> from DOR - 1% Collection Fee	unknown	unknown	unknown
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<u>Cost to General Revenue Fund</u> from DOR - State Data Center and Programming Charges	<u>(\$38,829)</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	unknown to <u>(\$38, 829)</u>	<u>unknown</u>	<u>unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**FIRE PROTECTION DISTRICTS
THIRD CLASS COUNTIES**

<u>Income to Fire Protection Districts</u> from sales tax of up to 1%	unknown	unknown	unknown
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<u>Cost to Fire Protection Districts for</u> election, Fire Protection Services	<u>(unknown)</u>	<u>(unknown)</u>	<u>(unknown)</u>
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ESTIMATED NET EFFECT TO FIRE PROTECTION DISTRICTS IN THIRD CLASS COUNTIES*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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***Oversight assumes this proposal is permissive and would have no fiscal impact unless voters would approve the imposition of a sales tax.**

FISCAL IMPACT - Small Business

Small business located within a Fire Protection District that would receive voter approval to impose a sales tax would be expected to be fiscally impacted from the costs related to collection and payment of the tax.

DESCRIPTION

This bill allows, upon voter approval, fire protection districts located in counties of the third classification to impose, in addition to other taxes, a sales tax in an amount of up to 1% on all taxable retail sales made within the fire protection district.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

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Department of Revenue
Carroll County Commission

NOT RESPONDING

County Commissions of: Howard, Atchison, Vernon, Marion, Butler, Mississippi, Taney, Christian, and Dallas Counties.

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA
Director
February 11, 2000